

## A FINANCIAL CRISIS.

**WILL BE UPON THE AMERICAN PEOPLE  
WITHIN THE NEXT TWO YEARS**

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**A So-Called "Important" Disc  
Shown Up—Senator Sherman  
Government 4 1-3 and 4 Per  
Bonds Can Only Be Paid When**

In a recent speech Mr. Blaine said: "There has not been since the national election of 1860 a financial crisis so urgent, pressing as the one which will be upon American people within the next two years." This statement was practically repeated by Senator Beck in his speech at the quoin banquet, and has formed the text of earnest editorials in the leading organs.

Two great political parties. Important covers—Something That Will Set Fire to Thinking—All Bonds of the U.S. Government—California—The U.S. funded Into Lower Interest Bonds—Would Obliterate the Existing Premium—\$48, 418, and 66, and Change Their Easiness—The U.S. Government—The press, especially in the west, in which stated that:

"The great people there would not seem to be so far from alarm; to the student of statistics and financial ingenuity, the situation is not so clear. The precedences of incapacity shown by those in power, the changes and changes in the solution of the problem.

"What, then, should be done? It seems that the only solution is to make a main proposition. It is alleged that the government has no money, and in the fact, that after the third year, the bond the government will have no other money to pay the bonds, and the bonds are due and payable, and that will be for several years.

"The question this question it will be to review a little of recent financial history, and the government will be in such legislation was pending before Congress.

During the discussion of the refunding proposed in 1890, it was asserted by both Republicans and Democrats that a crisis was impending, and that it was absolutely necessary to pass a refunding bill to provide

something over seven hundred million bonds becoming payable in 1881 and 1882, a party proposed to refund the entire amount in a forty-year bond bearing 4 per cent interest. Fernando Wood's bill, which passed and vetoed by Mr. Hayes, provided for four bonds maturing in 1881, 1882, 1883 and 1884. It must be plain that if either bill had become a law the present crisis would have occurred years ago, since, if these had been refunded, none of them, according to the theory of these alarmists, could have been paid until maturity, and the vast sum since paid out for bonds must either have been hoarded in the treasury or else

then, the conclusive evidence of the Government's determination to enforce the law is the question to those whose counsel it is to have been so faulty. But it proves all and opens the way to a challenge of the proposition, which rests upon the assumption that the 4 and 4½ per cent bonds can be paid prior to their nominal maturity. The question the law is very explicit, and it is strange that the men who were in Congress at the time of its passage should over-

But none of said interest-bearing bonds shall be redeemed or paid before, ~~unless~~ at such time United States shall be convertible into coin at the option of the holder, or ~~unless~~ at such time bonds of United States bearing a lower rate of interest than the bonds to be redeemed can be par in coin."

"But none of the interest-bearing obligations already due shall be redeemed or paid before maturity, unless at such time States notes are convertible into coin at the option of the holder, or unless at the option of the United States Treasury a rate of interest that the bonds to be redeemed is sold at a profit."

Now, if this language means anything, it means that Congress then recognized a debt which no one will seriously dispute, that the government had the undoubted right to demand its bonded indebtedness at any time owing to the peculiar condition of the country at that time. Congress provided a solemn pledge that it would not exercise that right until the conditions named existed, conditions now exist. United States bonds are exchangeable for coin at par, and bondholders receive a lower rate of interest than the

be redeemed can be sold at par in the  
follows that a strict construction of  
under which these bonds were issued  
warrants their payment at any time,  
urged that it would cause loss to the  
of the bonds, the answer is that such  
had full knowledge of the law, and as  
the government owes to the debtor cl  
to the people generally, just as much  
fidelity as it owes to the bondholder  
fact is that no such financial crisis is

ing. It is simply the duty of the government to pay its bonded debt as it agreed and stated that it should be paid. To-day there is no cause for alarm. Every dollar of the government debt can honorably be called paid at any time while the present conditions exist.

Senator Sherman's attention was

to the article quoted above, and it is perceived that in his brief, comprehensive statement, he "knocks it out" of the idea that the outstanding debt of the government can be "any time." Senator Sherman said:

The writer of the article is mistaken in assuming that the act strengthening the credit, passed March, 1869, applies to

the bonds outstanding (except the 3 per cent bonds). Upon its face it only refers to those bonds which were redeemable after five or ten years, or at any time in twenty or forty years. The 4 per cent bonds now outstanding have no such provision for redemption within any period of their maturity. They were issued under the refunding act which passed

The best medical writers claim that a useful remedy for nasal catarrh must be irritating, easy of application, and will by its own action reach all the sites and ulcerated surfaces. The fit the efforts to treat catarrh during the years, oblige us to admit that only one

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and Loys. Elseman Bros., 7th and E.

**PERSONALITIES.**

JUDGE J. F. DILLON is at Wormley's.  
HON. J. C. DAW, of Chicago, is in the

CONGRESSMAN BRECKINRIDGE is registered at the Riggs.  
 REPRESENTATIVE FREDERICK, of Iowa, is at the Ebbitt.  
 SURVEYOR BEATTIE, of New York, is at the Fortress Monroe.  
 REPRESENTATIVE BOWEN, of Colorado, is at the Ebbitt House.

HON. LEVI P. MORTON and family will winter at the Arlington.

REPRESENTATIVE VIELLE, of New York, arrived in the city last evening.

It was announced yesterday that J. Blaine, jr., has secured a position on the *Pittsburg Times*.

D. M. Houser, proprietor of the *Post-Democrat*, arrived in the city last night and is stopping at the Ebbitt.

ASSISTANT SECRETARY OF THE INTERIOR MULBROW and family have returned to their old quarters at the Ebbitt, after having been absent several weeks at the Hot Springs.

CONGRESSMAN PRICE seems considerably

proved, and is able to take more nourishment than formerly. His friends are in strict agreement that the doctors are mistaken in pronouncing his disease a cancer of the stomach.

SENATOR MANDERSON, whose apartment has been at the Portland for several years, has removed to 1435 K street northwest, and taken the residence of Senator

the winter, and Mrs. Manderson, who has been in Philadelphia and New York visiting, will return to the city about the 1st of December, and will then receive company for a few days. Senator Manderson is in New York, and he is expected back on Saturday, Dec. 4.